



CONGRESSIONAL BUDGET OFFICE
U.S. Congress
Washington, DC 20515

June 29, 2006

Honorable Richard W. Pombo
Chairman
Committee on Resources
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 4761, the Deep Ocean Energy Resources Act of 2006, as modified by Pombo amendment #224, dated June 28, 2006.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Kathleen Gramp.

Sincerely,

A handwritten signature in dark ink that reads "Donald B. Marron".

Donald B. Marron
Acting Director

Enclosure

cc: Honorable Nick J. Rahall II
Ranking Member

Estimated Direct Spending Effects of H.R. 4761, the Deep Ocean Energy Resources Act of 2006, as modified by Pombo amendment #224, dated June 28, 2006

	Outlays in Billions of Dollars, by Fiscal Year										2007-	2007-
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2011	2016
CHANGES IN DIRECT SPENDING ^a												
Changes in the Terms of Oil and Gas Leases												
Fee on deepwater OCS leases	0	-0.8	-0.8	-0.9	-1.2	-1.1	-1.2	-1.7	-1.9	-1.7	-3.8	-11.4
Fee on nonproducing leases	0	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.8	-1.6
Compensation for certain nonproducing leases	0	*	*	*	*	*	*	*	*	*	*	*
Other changes to lease terms	*	*	*	*	*	*	*	*	*	*	*	0.1
Expand Federal Areas Subject to Mineral Leasing	-0.2	*	-0.2	-0.5	-0.3	-0.3	-0.5	-0.6	-0.7	-0.8	-1.2	-4.0
Changes in Authority to Spend Federal Mineral Receipts												
Repeal of certain OCS receipt-sharing programs	-0.3	-0.3	-0.3	-0.3	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-1.4	-2.0
New OCS receipt-sharing with states	0.5	0.7	1.1	1.0	1.5	1.7	2.0	2.7	3.2	3.6	4.8	18.0
Other federal programs	—*	—*	—*	—*	—*	—*	—*	—*	—*	—*	—*	—*
Total Changes	-0.1	-0.6	-0.4	-0.9	-0.4	0.1	0.1	0.1	0.4	0.7	-2.3	-0.9
Memorandum:												
OCS Receipts Under Current Law ^b	-8.3	-10.5	-9.8	-10.0	-10.1	-9.4	-11.0	-10.9	-10.9	-11.2	-48.7	-102.1

NOTES: Details may not sum to totals because of rounding.

OCS = Outer Continental Shelf.

Budget authority is equal to outlays for most programs that involve collection and spending of OCS receipts.

* = Between -\$50 million and \$50 million.

a. Implementing H.R. 4761 would also affect discretionary spending. Several provisions of the bill would authorize funding to be provided in future appropriation acts.

b. The current-law estimates are from CBO's March 2006 baseline. The receipt estimates are net of payments to states to share proceeds from leases located within specified distances of their coastlines.